Home Sales Remain Strong in Third Qtr.

The total number of homes sold in the Phoenix metropolitan area during third quarter 1987 (16,330) was the third highest quarterly total of the 1980s. Compared to the prior quarter, sales fell only 1 percent (see Table 1). This minimal decline indicates that the effect of April's increase in interest rates was relatively small, reflecting strength in the housing industry during this period.

Compared to third quarter 1986, the number of sales declined 16 percent. However, because last year's third quarter total was 15 percent higher than any other quarterly total of the 1980s, the annual decrease should not be overemphasized.

Seasonally adjusted, the number of third quarter sales (15,230) declined 2 percent from the second quarter total. New townhouse and condominium sales fell the furthest, down 16 percent.

When the seasonally adjusted numbers are compared to those for third quarter 1986, new home sales declined more than existing home sales. Sales of new townhouses and condominiums plunged 43 percent during this period, while sales of new single family homes fell 31 percent.

The proportion of total sales that were new single family homes rose when compared to the prior quarter, implying movement toward the higher percentages recorded prior to first

See "Home Sales," page 2

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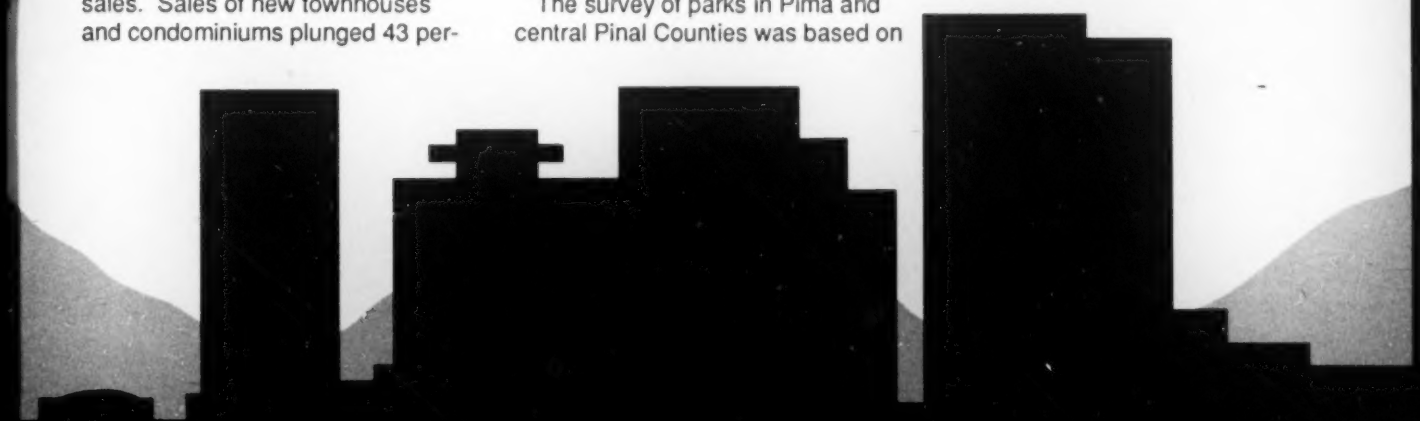
Survey Counts Snowbirds in Pima/Pinal Counties

An estimated 8,000 seasonal resident households were living in mobile home/RV parks in the metropolitan Tucson area at the height of the 1986-87 winter season in February. Mobile home/RV parks in central Pinal County were home to an estimated 2,000 winter resident households. These Pima/Pinal estimates represent the first time the ASU College of Business has expanded its annual mobile home/RV park survey beyond the Phoenix metropolitan area.

SURVEY METHODOLOGY

The survey of parks in Pima and central Pinal Counties was based on methodology used in the Phoenix area snowbird survey since 1984 (see the May 1987 *Arizona Business*). During the second and third weeks of February 1987, the ASU Survey Research Laboratory called the park owners or managers to ascertain the number of spaces, occupancy levels, proportion of winter residents, and other characteristics of their parks. Such a park census provides information on a major segment of winter residents rather than a count of the entire seasonal

See "Snowbirds," page 4



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quarter 1986. This increase was offset by a reduction in the sales share of previously owned townhouses and condominiums.

MEDIAN PRICE AND APPRECIATION RATE

The median price of all homes sold in the Phoenix area during the third quarter reached its highest level to date, at $81,675. However, when this value is seasonally adjusted, the 0.2 percent increase from the second quarter is the smallest since fourth quarter 1984 and the second smallest since fourth quarter 1982.

Prices of townhouses and condominiums remained soft. Seasonally adjusted, their median sales price fell 2.3 percent in the third quarter. Compared to third quarter 1986, the median price dropped 5.7 percent, with the price of new units declining the most.

Seasonally adjusted prices of single family homes continued to rise; the 4.6 percent increase in the price of new homes over the previous quarter was the largest of the cent more during third quarter 1987 than in third quarter 1986.

After seasonal adjustment, prices of previously owned single family homes also gained over the third quarter 1986 level, but by the smallest amount since 1985. When compared to the previous quarter, prices decreased by the largest amount since 1982.

After adjusting resale prices for home size, the median price per square foot for single family homes rose only 2.3 percent between the third quarters of 1986 and 1987, the smallest annual increase since 1985. The median price per square foot for townhouses and condominiums decreased 0.3 percent, the first decline in this category since 1985.

These numbers correspond to the appreciation rate measured in the Phoenix area. For single family homes, the quarterly rate was 0.6 percent, similar to the rate in each of the previous 11 quarters. Appreciation rates for townhouses and condominiums were lower, at a quarterly rate of 0.0 percent and an annual rate of 0.2 percent.

Mortgage interest rates have been relatively stable at slightly less than 11 percent for a conventional, 30-year, fixed-rate loan since first quarter 1986, excepting the period of lower rates at the beginning of 1987. If the current downward pressure on interest rates continues during the fourth quarter, they may fall below the third quarter's 10.8 percent.

Rates of increase in seasonally adjusted home prices and housing appreciation probably will moderate for single family homes, while continuing to decline slightly in the townhouse/condominium market. Inflation and competitiveness in the Phoenix area housing market have not accelerated enough to exert significant pressure on home prices. However, the aura of uncertainty that plagued October stock market activity and pervades analysis of the general economy could affect home buyers' willingness to commit themselves to large purchases, such as homes, even if interest rates descend to lower levels.

– **Sharla Kivett,** *Research Analyst*
Arizona Real Estate Center

TABLE 1
METROPOLITAN PHOENIX HOME SALES

	Single Family			Townhouse/Condominium			Grand
Third Quarter 1987	*Resale*	*New*	*Total*	*Resale*	*New*	*Total*	*Total*
Median sales price	$82,725	$99,275	$86,000	$62,850	$63,800	$62,975	$81,675
Percent change from:							
Second quarter 1987 ...	2	6	2	-3	-1	-3	2
Third quarter 1986	5	11	5	-3	-8	-6	3
Number of sales	11,320	2,130	13,440	2,320	570	2,880	16,330
Percent change from:							
Second quarter 1987 ...	-2	15	0	-8	-3	-7	-1
Third quarter 1986	-13	-31	-16	1	-42	-12	-16

Source: Arizona Real Estate Center and Center for Business Research, College of Business, Arizona State University; from data supplied by Marketron Services, Inc., Phoenix.

Year-end Acknowledgments

Monthly publication of a data-based periodical such as *Arizona Business* reflects numerous and diverse behind-the-scenes efforts. As 1987 draws to a close, we would like to acknowledge the contributions of those individuals whose expertise, hard work and dedication have brought our readers current economic/real estate data and analysis over the past year.

Sandra Palais, computer specialist, provides computer assistance with the many Center for Business Research projects on which we regularly report in *Arizona Business*. Palais also produces the computer-generated graphic figures that appear in each issue.

Nancy Merz, Center Research Assistant, collects and compiles data for the consumer price index, building permits and the Center's database. Graduate Research Assistant Kathleen Downing assists in collecting prices for the CPI.

During 1987, the center's editorial, administrative, secretarial and clerical staff assisted in numerous ways, including manuscript processing, page make-up, distribution, subscriber requests, and bookkeeping for *Arizona Business*. We extend special thanks to James Dodson, Joyce Didia, Sylvia Jackson, and Ruth Ann McClarnon.

Reliable Reproductions, Inc., prints *Arizona Business*.

We appreciate all of your efforts!

– **Timothy D. Hogan**
Center Director

– **Mary Wery Garcia**
Editor

Affordability of Phoenix area single family homes declined for the second quarter in a row during third quarter 1987. At 92, the index for new homes fell five points, to the lowest level of affordability since first quarter 1986. However, the current level remains higher than at any time since the late 1970s (see Table 1). The index for resale homes continued to be relatively high at 109, dropping only two points from the level of the prior quarter.

An index at or above 100 indicates that a median-income household is able to qualify for a median-priced home, assuming a 15 percent downpayment on a fixed-rate, conventional, 30-year mortgage and an income qualification factor of 28 percent. During third quarter 1987, a median-income household could afford a $90,000 home – more than the $82,725 median-priced resale home, but less than the $98,275 median-priced new home.

COMPONENT CHANGES

Throughout the 1980s, variations in mortgage interest rates have had a greater impact on housing affordability than fluctuations in either home prices or household incomes. During third quarter 1987, the effective mortgage interest rate (contract rate plus fees and charges, or "points") rose to 10.8 percent, its highest level since first quarter 1986.

Price increases on new homes (5.8 percent) were significantly greater than gains in personal income (1.7 percent) for the first time since 1981. However, the majority of the price rise resulted not from individual homes climbing in price, but from the continuing movement of buyers toward more expensive homes with greater amenities. Of all new home sales recorded during the third quarter, 47 percent were in the $100,000-or-more price category, compared to 38 percent during second quarter 1987 and 26 percent during third quarter 1986. This jump in prices, concomitant with the 0.2 percent increase in mortgage interest rates, resulted in larger housing payments during the third quarter, reducing affordability.

Price increases for resale homes were approximately the same as gains in household income; their lower affordability was due primarily to the rising interest rate.

NATIONAL AFFORDABILITY

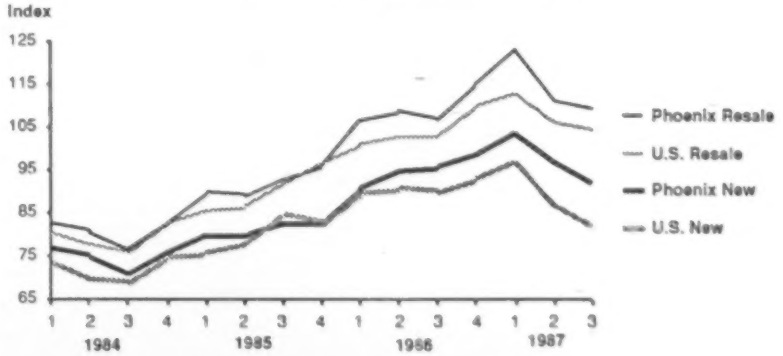
During the 1980s, housing affordability in the Phoenix area generally has surpassed the national average, with the divergence increasing since 1985 (see Figure I). Both new and resale home affordability maintained this relationship during the third quarter. Phoenix's new home index of 92 exceeded the national average by 10 points, while the resale index of 109 surpassed the national level by 5 points. The greater affordability of homes in metropolitan Phoenix is due primarily to the area's lower housing prices.

OUTLOOK

Housing prices and personal income are expected to rise only slightly during the fourth quarter, again making mortgage interest rates the key to the level of housing affordability. Interest rates are currently under downward pressure, despite the volatility caused by uncertainty in the money market. If interest rates continue their movement toward levels lower than the 10.8 percent of the third quarter, affordability should improve.

– **Sharla Kivett,** *Research Analyst*
Arizona Real Estate Center

FIGURE I
HOME AFFORDABILITY INDEXES
Phoenix Area vs. National, 1984-87



Source: Arizona Real Estate Center, College of Business, Arizona State University

TABLE 1
HOME AFFORDABILITY INDEXES
Metropolitan Phoenix

			Resale Homes			New Homes		
Quarter	*Median Gross Monthly Income*	*Effective Interest Rate*	*Median Sales Price*	*Monthly Housing Payment*	*Affordability Index*	*Median Sales Price*	*Monthly Housing Payment*	*Affordability Index*
1st 1986	$2,740	11.0%	$75,000	$710	107	$88,200	$840	91
2nd 1986	2,780	10.7	77,150	720	109	87,950	820	95
3rd 1986	2,820	10.7	79,150	740	107	88,850	830	96
4th 1986	2,870	10.1	79,000	700	115	91,900	810	99
1st 1987	2,920	9.4	79,500	660	123	94,500	790	104
2nd 1987	2,970	10.6	81,500	750	111	92,925	860	97
3rd 1987	3,020	10.8	82,725	780	109	98,275	920	92

Source: Arizona Real Estate Center and Center for Business Research, College of Business, Arizona State University. Interest rates are from the Federal Home Loan Bank Board *News*.

population of the Tucson and central Pinal County areas since snowbirds staying in apartments, houses, condominiums, etc., were not enumerated.

TUCSON AREA

The Tucson metropolitan area has more than 400 mobile home/travel trailer/RV parks, for a total of 23,700 spaces, according to an inventory compiled by Sun Belt Market Research, Inc., of Tucson. The total supply of spaces increased 11 percent between 1985 and 1987, with RV parks contributing most to the growth rate. Higher vacancy rates accompanied the expanding supply during the 1986-87 winter season. The overall vacancy rate of 9 percent implies a total park population of 21,600 households.

The ASU survey found that the proportion of spaces occupied by winter residents varied by both type and size of park. Based on the same definition of a winter resident household used in the Phoenix area studies (a household that resides in Arizona less than nine months of the year), only 26 percent of the households staying in Tucson area mobile home parks were classified as seasonal rather than permanent residents. In the RV parks, 77 percent of the households were winter residents. Overall, seasonal residents were living in 36 percent of the occupied spaces in Tucson area parks.

Table 1 presents estimates of the winter resident population. Based on the combined results of the ASU survey and the Sun Belt Market Research, Inc., park inventory, almost 8,000 snowbird households lived in Tucson area mobile home/RV parks at the height of the 1986-87 season. The total number of such households in mobile home parks was greater than the number in RV parks, since the population staying in mobile home parks was so much larger.

CASA GRANDE/CENTRAL PINAL COUNTY

Although the economic base of central Pinal County has grown rapidly in recent years, the number of mobile home and travel trailer/RV parks is much smaller than in the State's two metropolitan areas or in the communities along the Colorado

fied 21 parks, for a total of 4,600 spaces, in the Casa Grande, Coolidge, Eloy, and Florence area.

While having a much smaller supply of spaces than the Tucson area, central Pinal County is more oriented toward the snowbird market. A larger proportion of spaces are located in travel trailer/RV parks, and winter residents occupy a much higher proportion of spaces in both the mobile home and travel trailer/RV parks. The results of the 1987 Pinal County survey, summarized in Table 1, indicate that more than 2,900 spaces in area parks were occupied. An estimated 65 percent of the spaces were home to seasonal residents, meaning that almost 2,000 snowbird households made communities in central Pinal County their Arizona residence during February 1987.

COMPARISON WITH THE PHOENIX AREA

The mobile home/RV park industry of metropolitan Tucson has been expanding in recent years, with the focus on attracting more winter residents. However, according to the 1987 ASU survey, the area's annual influx of 8,000 snowbird households is only about one-sixth the total of 47,000 households for metropolitan Phoenix or one-fifth the 40,000 that flocked to southeast Maricopa County/Apache Junction in 1987.

Like the Mesa/Apache Junction area, central Pinal County's travel trailer/RV spaces constitute more than one-half the total supply of

cent in the Tucson area. Results of the 1987 ASU survey indicate that the 1,900 snowbird households were more than one-half of the households staying in mobile home parks and almost all of the occupants of RV parks in the area during the 1986-87 winter season.

As urban growth encroaches on many areas of metropolitan Phoenix currently occupied by mobile home/RV parks, the snowbird phenomenon is expected to grow in importance in Yuma and other Colorado River areas, in Casa Grande and other communities of central Pinal County, and in the non-urban areas of Pima and Maricopa Counties.

– Stephen K. Happel
– Timothy D. Hogan

Dr. Happel is Associate Professor of Economics, and Dr. Hogan is Professor of Economics and Director of the Center for Business Research in the ASU College of Business. *The authors gratefully acknowledge: funding support from the Arizona Department of Commerce, Arizona Public Service Company, Mountain Bell, Salt River Project, and Western Savings; the ASU Survey Research Laboratory; the park owners/managers who responded to the survey; and Sun Belt Market Research, Inc., for providing 1987 information on Tucson area mobile home/RV parks.* *Anyone interested in more detailed information on Tucson area parks should contact Sun Belt Market Research, Inc., 4651 N. First Avenue, Tucson, AZ 85718; (602) 293-2259.*

TABLE 1
WINTER RESIDENTS IN MOBILE HOME AND RV PARKS
1986-87 Season

	Tucson Area*	Central Pinal*
Mobile Home Parks		
Number of Occupied Mobile Home Spaces	13,000	900
Number of Winter Resident Households	3,400	500
Percent of Spaces Occupied by Winter Residents	26	55
RV Parks		
Number of Occupied Travel Trailer/RV Spaces	3,700	1,200
Number of Winter Resident Households	2,900	1,100
Percent of Spaces Occupied by Winter Residents	77	89
Mixed Parks		
Number of Occupied Spaces	4,900	800
Number of Winter Resident Households	1,600	300
Percent of Spaces Occupied by Winter Residents	34	41
Total Number of Winter Resident Households	7,900	1,900

*Numbers are rounded to nearest hundred; percentages were calculated prior to rounding.

Source: 1987 ASU Winter Resident Survey; Sun Belt Market Research, Inc.

Growth of the Arizona Gross State Product slowed sharply during the first half of 1987. Adjusted GSP, which excludes the volatile agriculture and mining industries, rose only an inflation-adjusted 3.4 percent in the year ending second quarter 1987, well below the 5.7 percent long-term annual average rate. The quarterly changes shown in Table 1 are subject to considerable further revision.

Industrial growth from mid-1986 until mid-1987 was highly inconsistent. The construction industry's GSP declined 14 percent. In contrast, relatively strong expansion characterized the transportation, communications and public utilities industry (9 percent) and the finance, insurance and real estate industry (7 percent). The other industries grew slowly: government just 1 percent and manufacturing, trade and services each in the 4-to-5-percent range.

Thus, while construction was most responsible for the economy's deceleration, the other industries also experienced relatively slow expansion. Though the Arizona economy's growth moderated more than national economic growth, the state's expansion remained more rapid.

REVISIONS

A variety of revised and updated data were included in the GSP calculations. In particular, the personal income data – a key component of the GSP calculations – were revised back to 1970.

The revisions had the greatest impact on 1986 GSP estimates. Previously reported at a slightly subpar 5.2 percent, GSP is now estimated to have expanded 6.9 percent during 1986. Adjusted GSP estimates also rose, from 6.0 to 7.3 percent.

Despite these revisions, the quarterly pattern of personal income reported by the U.S. Department of Commerce remains highly suspect. As discussed in the GSP article in the June 1987 Arizona Business, personal income data do not correspond well to other economic data. Part of the problem relates to seasonality. Though supposedly seasonally adjusted, the personal income data since 1983 have exhibited a significant seasonal pattern.

This seasonality extends to the quarterly GSP data. Thus, for the first time, the Center separately seasonally adjusted the GSP (see the quarterly percent changes in Table 1). While this adjustment improves the quarterly pattern, it still exhibits two problems. First, the seasonal adjustment procedure does not fully correct for the seasonality because of the shift in the seasonal pattern of the personal income data since 1983. Second, regardless of seasonality, the personal income estimates remain subject to further improvement.

In light of these factors, the Center recommends that quarterly percent changes in personal income and GSP be used cautiously. Annual change figures eliminate the seasonality problem but also are subject to significant revision.

OUTLOOK

Employment and other data indicate that Arizona economic growth began to accelerate during the summer from the near standstill of the winter and spring. Thus, GSP probably expanded more rapidly during the third quarter than in the first half of 1987.

Declines in the construction industry are likely to continue, depressing the Arizona economy; a sharp rebound in the other industries is not expected. Thus, GSP probably will continue to expand at subpar rates into 1988.

– Tom R. Rex
Research Manager

TABLE 1
ECONOMIC GROWTH

	Arizona Gross State Product[r]				Gross National Product
Quarter	*Billions of Current Dollars, Annualized*	*Quarterly Percent Change (1982 Dollars)*	*Quarterly Percent Change (Adjusted GSP)**	*Annual Percent Change (Adjusted GSP)**	*Annual Percent Change (1982 Dollars)*
First 1986	51.648	3.0	2.6	8.2	3.6
Second 1986	51.965	0.9	1.1	7.9	3.3
Third 1986	52.456	0.2	0.7	6.2	2.6
Fourth 1986	53.673	2.3	2.5	7.0	2.2
First 1987	55.461	0.4	-0.2	4.1	2.0
Second 1987	56.162	1.0	0.4	3.4	2.4

*The adjusted GSP is the annualized GSP in billions of 1982 dollars, minus the contributions of the agriculture and mining industries.

[r]Revised; quarterly estimates are subject to significant revision.

Source: Center for Business Research, College of Business, Arizona State University. GNP data are from the U.S. Department of Commerce, Bureau of Economic Analysis.

The Arizona economy continued to pick up speed in October. All indicators were on the positive side. Vendor lead times stretched again, and both new orders and production enjoyed strong increases. Employment went up at the highest rate since July. Prices also escalated again.

While the national economy still faces major foreign trade and government deficit problems, and inflation pressures mount, the outlook for the Arizona economy is very positive as the acceleration continues. It will be several months before the overall effects of the financial markets' rollercoaster ride can be assessed. However, the Arizona economy will grow further as it compiles a fifth year of solid advances.

Arizona Purchasing Survey

Now in its 26th year of monthly reporting, Dr. Harold Fearon's survey of Arizona business conditions utilizes data gathered at the close of each month from members of the purchasing management associations of Arizona and southern Arizona. They indicate the direction - higher, unchanged, or lower - of seven key measures of economic activity in the month just ended. These purchasing managers deal daily with supply, demand, and price factors in the marketplace; their aggregate readings have accurately charted the state's economic course for two decades, providing timely data on turning points.

PRICES

Prices paid for purchased items increased at the same rate as in September. The pace of inflation has picked up over the past three months, with each month recording a net increase higher than in any month since June 1984. This upward price pressure was one of the prime factors contributing to recent turbulence in the financial markets.

DELIVERY TIME

Delivery time on shipments from vendors stretched in October at the same rate as in September. During both months, lead times increased at the highest rate in more than three years (since July 1984) – characteristic of an economy enjoying robust acceleration in operating rates.

INVENTORY LEVELS

Inventory levels of purchased materials rose only slightly and at a rate well under the September rate. Inventory growth has been positive in all but one month (July) this year, but the add rates have been irregular. The inventory increases have provided a source of upward thrust to the Arizona economy and likely will continue to support further growth over the balance of the year.

NEW ORDERS

New orders received by Arizona firms went up in October, but the rate was somewhat lower than in the previous two months. The monthly increases during 1987 have shown good strength and generally have been well above those for most months of 1986. The vitality of the economic expansion still is very evident.

PRODUCTION

Production advanced again, for the 58th consecutive month. The increase rate was identical to the new order rate. Further production hikes will be needed to meet the continuing new order jumps.

EMPLOYMENT

Employment registered a strong gain in October, the largest of the preceding three months and the 10th consecutive monthly workforce addition.

PURCHASES

Purchases of materials and supplies increased again in October, at a somewhat greater rate than in September.

– Harold Fearon

Dr. Fearon is the National Association of Purchasing Management Professor in the ASU College of Business.

TABLE 1
OCTOBER PURCHASING SURVEY

	Percent of Purchasing Managers Indicating Each Response (October compared to September)		
Key Indicators	*Higher*	*Same*	*Lower*
Prices paid for major commodities	42	54	4
Delivery time from vendors	44	48	8
Purchased materials inventory level	29	45	26
New orders received	43	36	21
Production	39	44	17
Employment	23	69	8
Purchases	44	35	21

Source: Purchasing Management Association of Arizona and the Purchasing Management Association of Southern Arizona

'87 Index Available

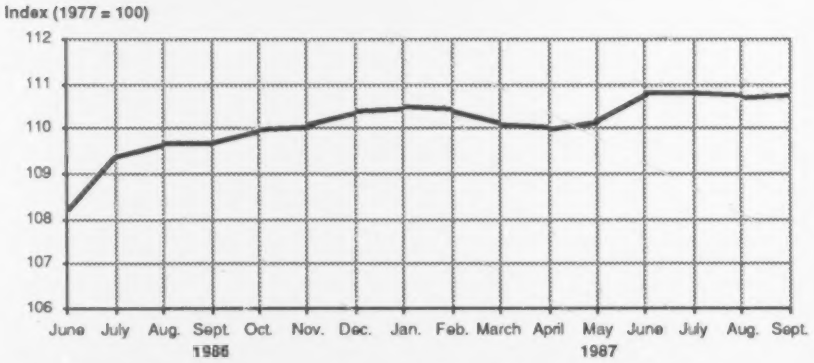
An index to the 1987 issues of *Arizona Business* is available on request from the Center for Business Research by calling (602) 965-3961.

The Arizona Index of Leading Economic Indicators advanced in September to 110.8 percent of its 1977 average, offsetting August's decline to 110.7 and returning to the level of June and July (see Figure I).

The index is derived from 10 economic indicators combined and weighted to project the pace of economic activity up to six months ahead. Gains in only four components propelled the September increase. A rebound in the value of residential building permits exerted the greatest positive influence; permits had declined sharply in August, pulling the index down. The money supply also registered an increase in September, for the second consecutive month. Finally, delivery times and inventory levels, derived from a survey of Arizona purchasing managers, rose.

The same purchasing survey yielded seasonally adjusted decreases in new orders, production, and employment. Hours worked in Arizona manufacturing firms dipped, and unemployment claims – a negative indicator – increased. A national indicator, prices of sensitive materials, also slid.

FIGURE I
ARIZONA INDEX OF LEADING ECONOMIC INDICATORS



Source: Economic Outlook Center, College of Business, Arizona State University

TABLE 1
NET CONTRIBUTION OF INDIVIDUAL COMPONENTS TO THE ARIZONA INDEX OF LEADING ECONOMIC INDICATORS

	Net Contribution+			
	June	*July*	*Aug.*	*Sept.*
Delivery Time*	.17	-.09	.07	.05
Inventory Levels*	.03	-.08	.04	.03
New Orders*	.10	-.10	.09	-.02
Production*	.01	-.07	.13	-.05
Employment*	.04	.03	-.02	-.04
Residential Building Permits	.16	.27	-.68	.41
Unemployment Insurance Claims	-.05	-.01	.16	-.10
Average Workweek, Manufacturing	-.07	.02	.12	-.28
Money Supply	-.15	-.01	.02	.12
Change in Sensitive Materials Prices	.22	.10	-.03	-.06
OVERALL INDEX CHANGE (%)	.5	0	-.1	.1

+The net contribution of each component is calculated by multiplying the monthly percent change in its index by its relative importance.

*Based on indicators from the purchasing management associations of Arizona and southern Arizona.

Source: Economic Outlook Center, College of Business, Arizona State University

OUTLOOK

Recent gyrations in the stock market may lead to a divergence in the paths of the Arizona and national indexes of leading economic indicators. Unlike the Arizona index, the national index includes stock prices as a component. Analysts expect the national index to decline in October and possibly also in November due to slipping stock prices, weakness in orders for consumer goods, and a slowdown in housing activity. Many also believe consumer expenditures will fall as households attempt to rebuild wealth holdings lost in the stock market slide.

While some observers believe potential homebuyers will delay housing purchases due to general economic uncertainty, an equally plausible argument may be advanced for a future rise in home sales, in response to interest rate declines brought on by money supply growth. This increase would stimulate the Arizona economy as well as boost key components in the Arizona Index of Leading Economic Indicators.

During the past three months, the Arizona index has not advanced past the level recorded in June. Such flat periods have not been uncommon in the 17 years of monthly data available for the index, and they are often followed by movements in the index to new highs. A pattern of consecutive declines is more likely to signal a turning point into recession. So far, such declines are not in evidence. Rather, the index continues to indicate that growth will be slow but positive in the months ahead.

– **Lee R. McPheters,** *Director*
Economic Outlook Center

ARIZONA ECONOMIC INDICATORS

	Month or Quarter	Value	Percent Change from Previous Period	Percent Change from Year Ago	Year-to-Date Value	Year-to-Date Percent Change from Year Ago
GROSS STATE PRODUCT						
(In Billions of Dollars, at Annual Rate)						
Arizona - Current Dollars	2nd Qtr.	55.162	1.3	8.1	NA	NA
Arizona - 1982 Dollars	2nd Qtr.	47.609	-0.2	4.0	NA	NA
CONSUMER PRICE INDEX (1977 = 100)						
Metropolitan Phoenix	3rd Qtr.	201.7	0.5	4.1	NA	NA
INDEX OF LEADING ECONOMIC INDICATORS (1977 = 100)						
Arizona	Sept.	110.8	0.1	1.0	NA	NA
BUILDING PERMITS						
(Total Dollar Value in Thousands)						
Maricopa County	Sept.	397,739	20	22	3,071,161	-1
Pima County	Sept.	81,506	51	18	467,733	-26
Balance of State	Sept.	67,701	65	0	485,359	-3
Arizona	Sept.	526,946	27	18	4,024,273	-5
TOTAL HOUSING UNITS AUTHORIZED						
Maricopa County	Sept.	3,204	44	-23	22,646	-39
Pima County	Sept.	800	96	-1	5,333	-41
Balance of State	Sept.	942	31	-19	7,569	-23
Arizona	Sept.	4,946	48	-19	35,548	-37
HOME SALES						
Maricopa County - Number	Oct.	4,220	-2	-7	51,400	-1
Maricopa County - Median Price	Oct.	82,000	-1.0	4.1	80,000	2.6
HOUSING AFFORDABILITY INDEXES						
Metropolitan Phoenix - New Homes	3rd Qtr.	92	-5.2	-4.2	NA	NA
Metropolitan Phoenix - Resale Homes	3rd Qtr.	109	-1.8	1.9	NA	NA
MORTGAGE INTEREST RATES						
(Conventional, 30-year, Fixed-rate)						
Maricopa County	Oct.	11.2	3.7	13.1	NA	NA
POPULATION ESTIMATES						
(In Thousands)						
Maricopa County	3rd Qtr.	1,984	0.7	3.2	NA	NA
Arizona	3rd Qtr.	3,460	0.6	2.9	NA	NA
ELECTRICAL POWER SALES						
(In Millions of Kilowatt Hours)						
Arizona	Sept.	3,359	-15.6	9.8	29,773	6.3

NA = Not Applicable

Source: Center for Business Research, College of Business, Arizona State University

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